OPENING REMARKS:

# BISNOW BALTIMORE

## MULTIFAMILY CONFERENCE




DELTA ASSOCIATES

PRESENTED BY WILLIAM RICH | 12.9.2015

# NATIONAL DEMOGRAPHIC TRENDS

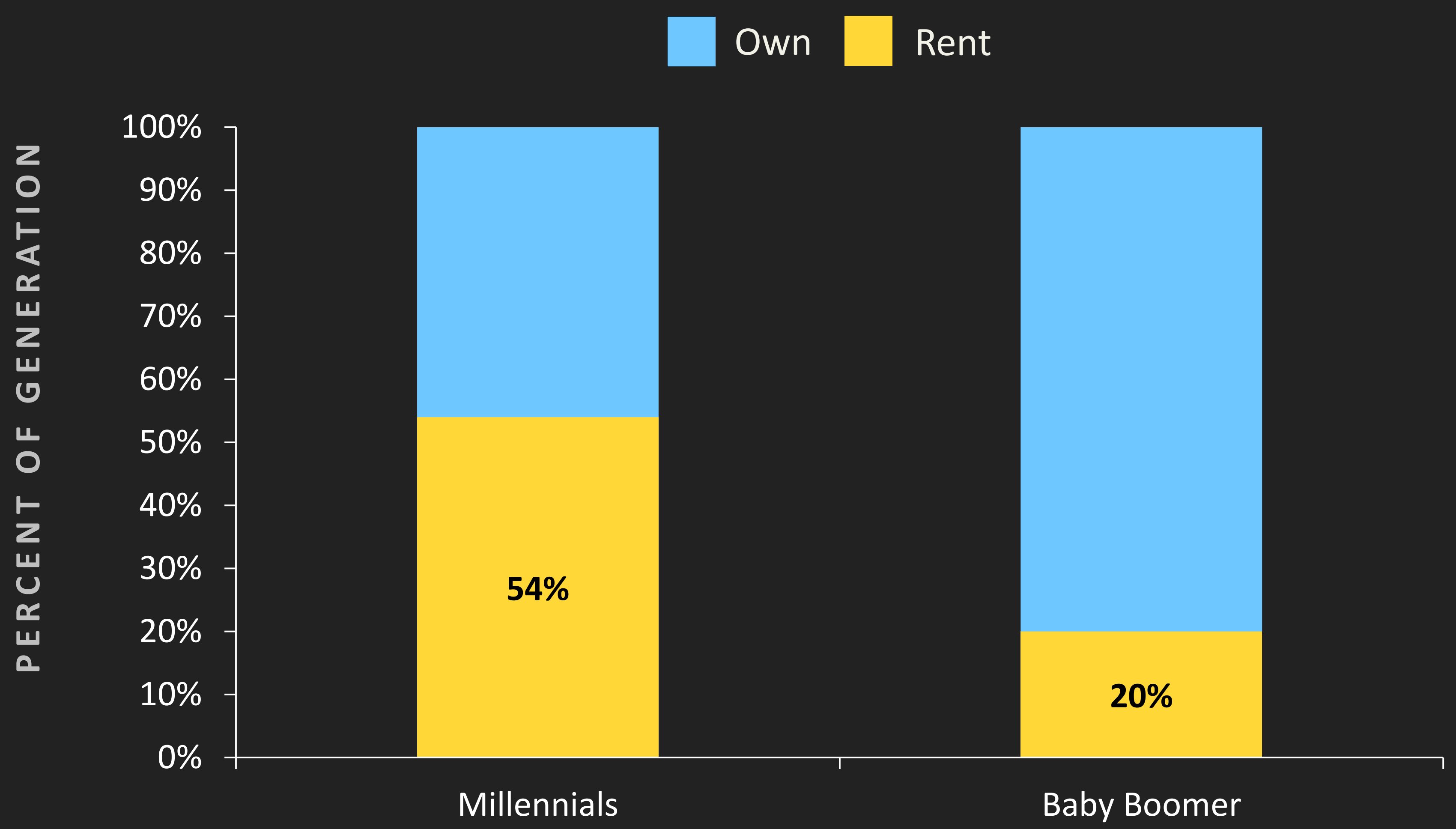

DELTA ASSOCIATES

OPENING REMARKS: BISNOW BALTIMORE MULTIFAMILY CONFERENCE

# OWN vs. RENT RESIDENCE

United States



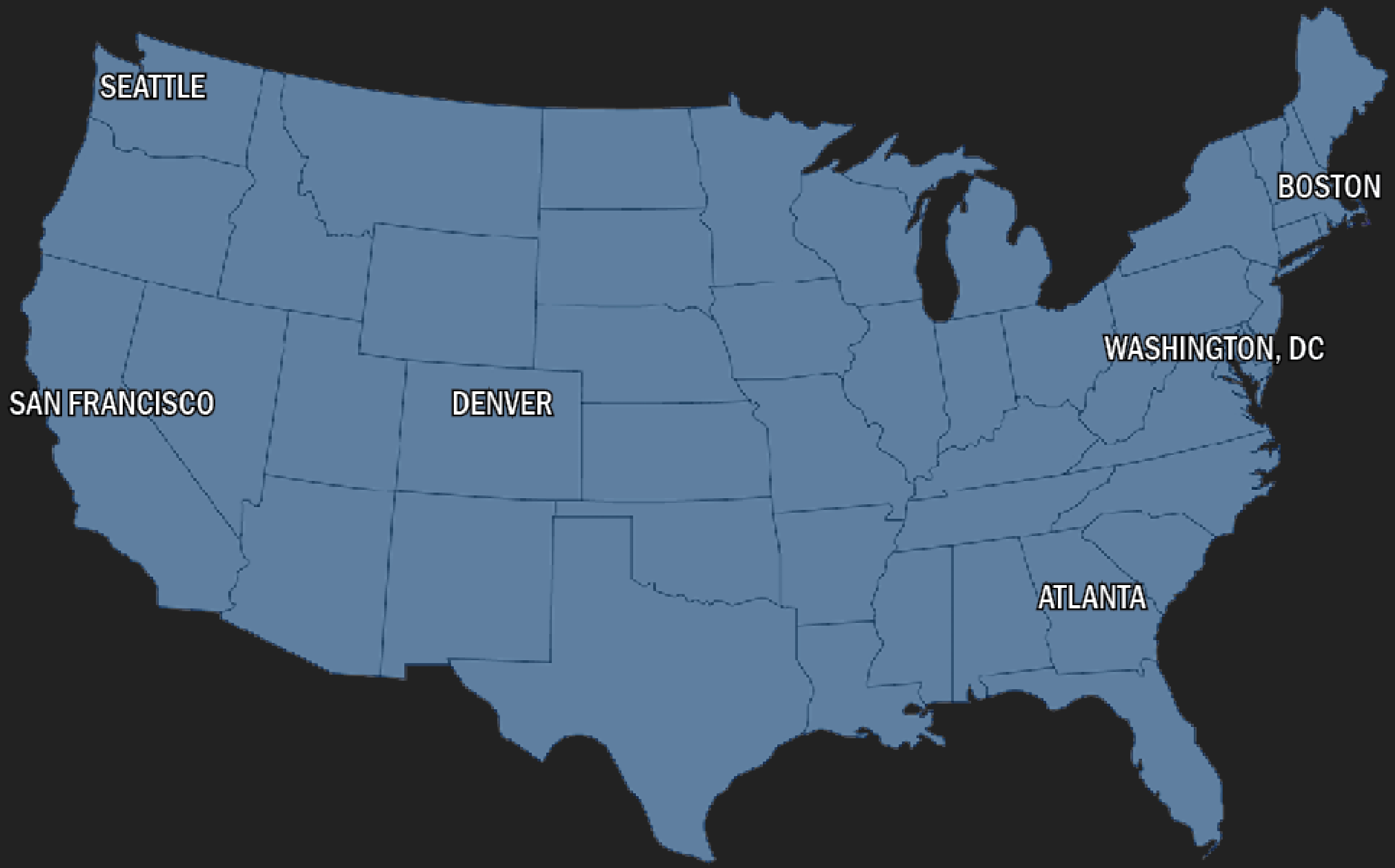



*Source: 2013 ULI/BRS National Survey, Delta Associates; December 2015.*

# POPULATION

Select Center Cities



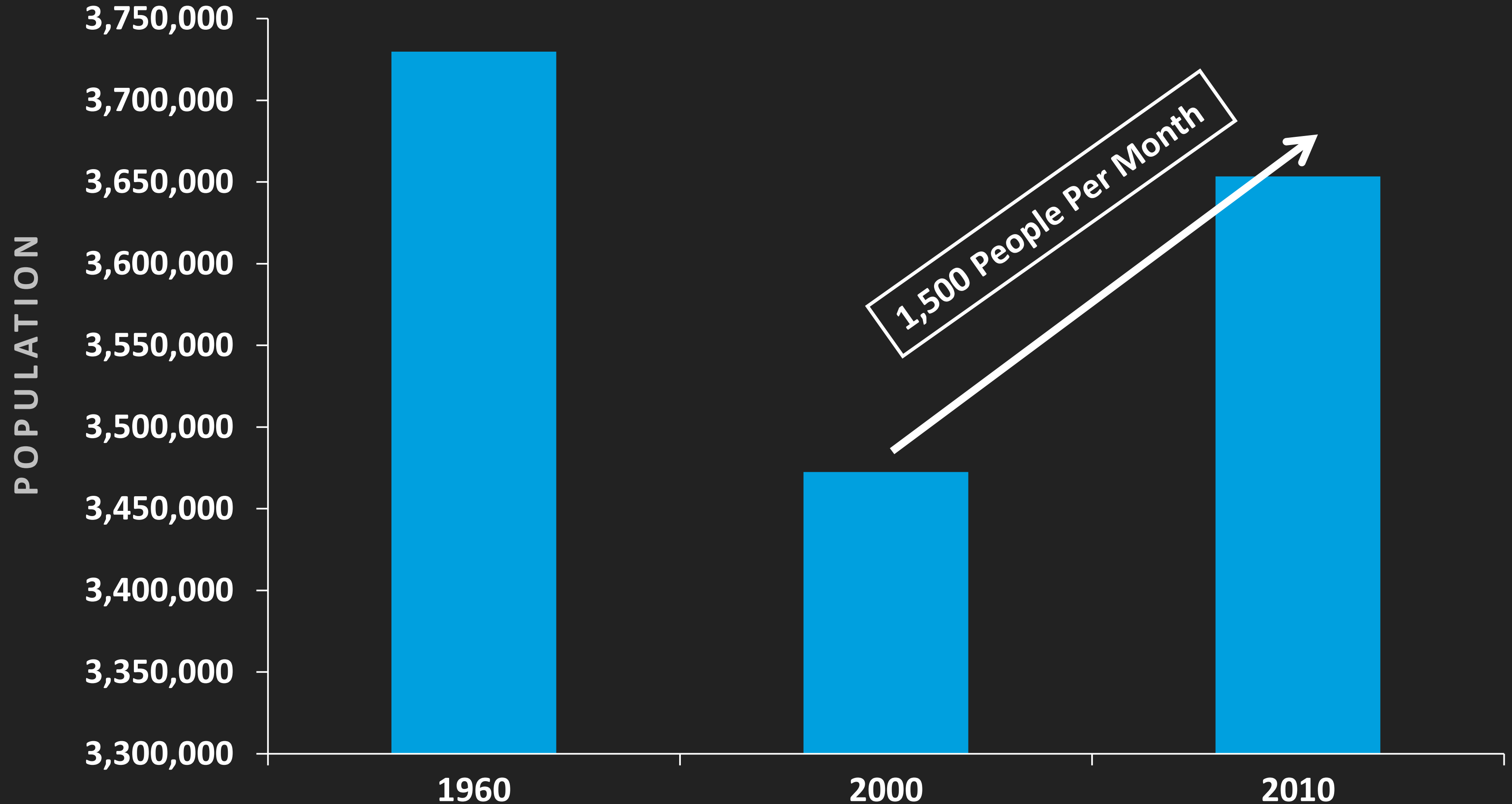



*Source: U.S. Census Bureau, Delta Associates; December 2015.*

# POPULATION

Select Center Cities

OPENING REMARKS:
BISNOW BALTIMORE
MULTIFAMILY CONFERENCE



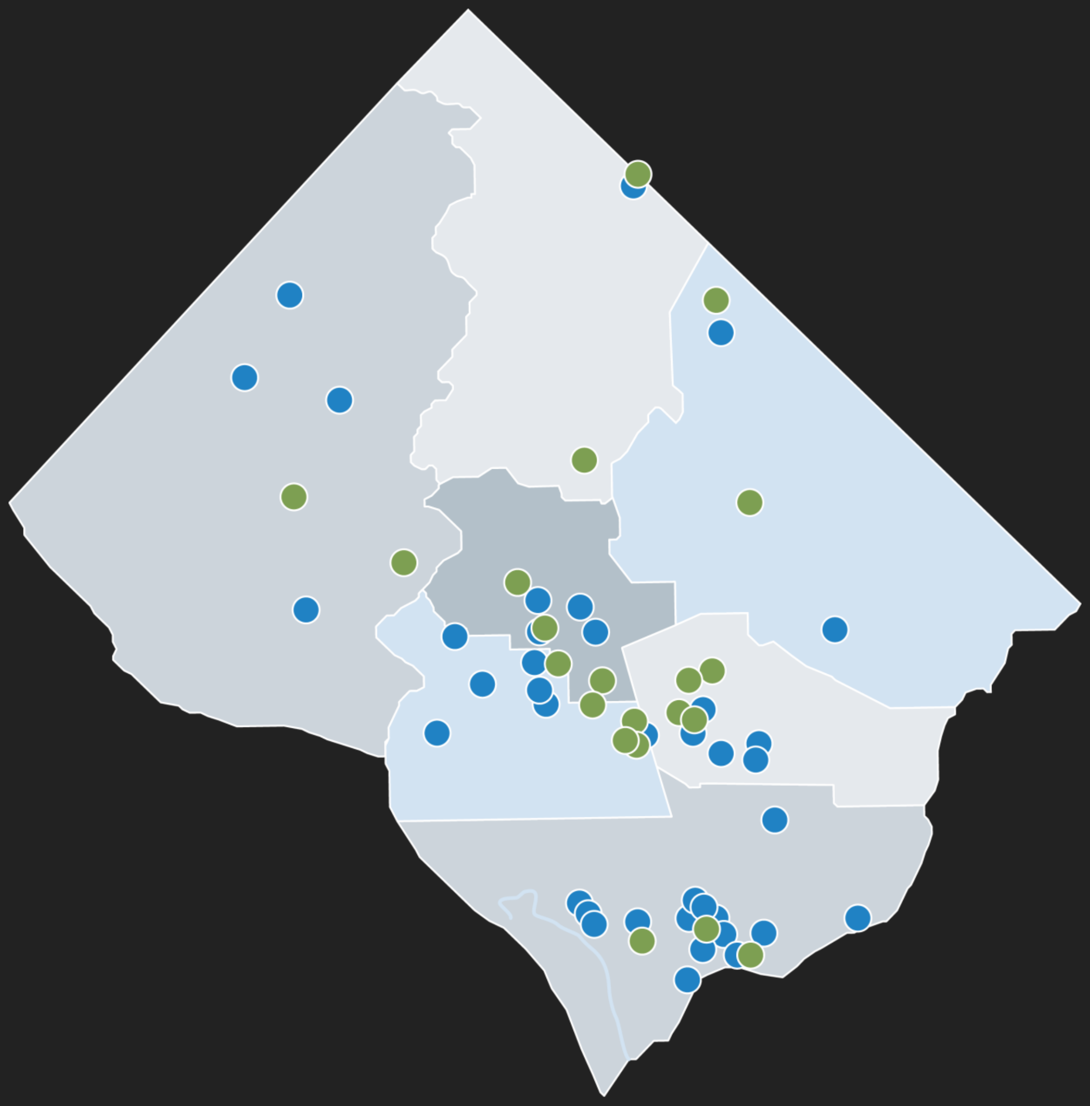

*Source: U.S. Census, Delta Associates; December 2015.*

*Cities: D.C., Boston, San Francisco, Denver, Seattle, Atlanta*

# PROJECTS CURRENTLY UNDER CONSTRUCTION

District of Columbia

OPENING REMARKS:
**BISNOW BALTIMORE**
MULTIFAMILY CONFERENCE



Projects Under Construction

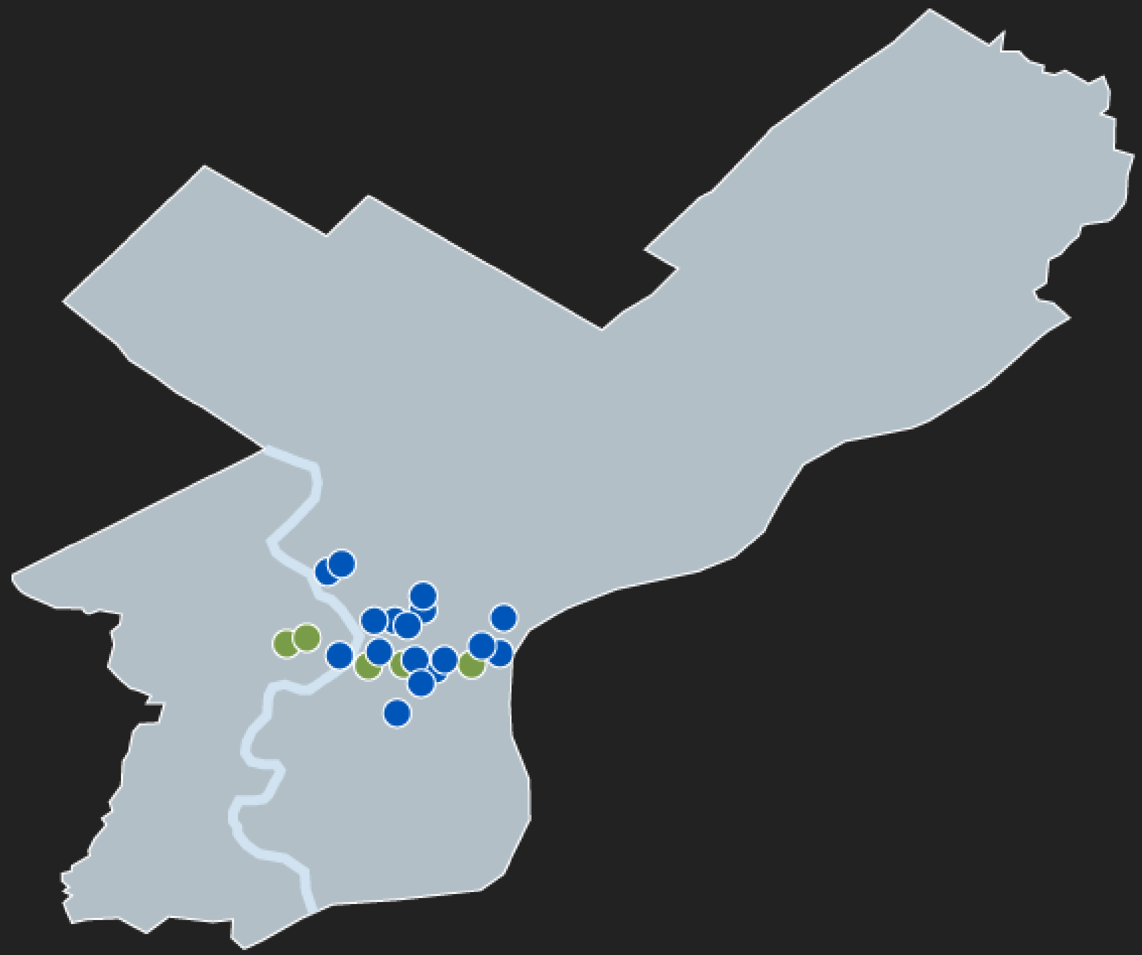
- In Lease-up
- Not Yet Leasing

*Source: Delta Associates; December 2015.*

# PROJECTS CURRENTLY UNDER CONSTRUCTION

City of Philadelphia





Projects Under Construction

In Lease-up

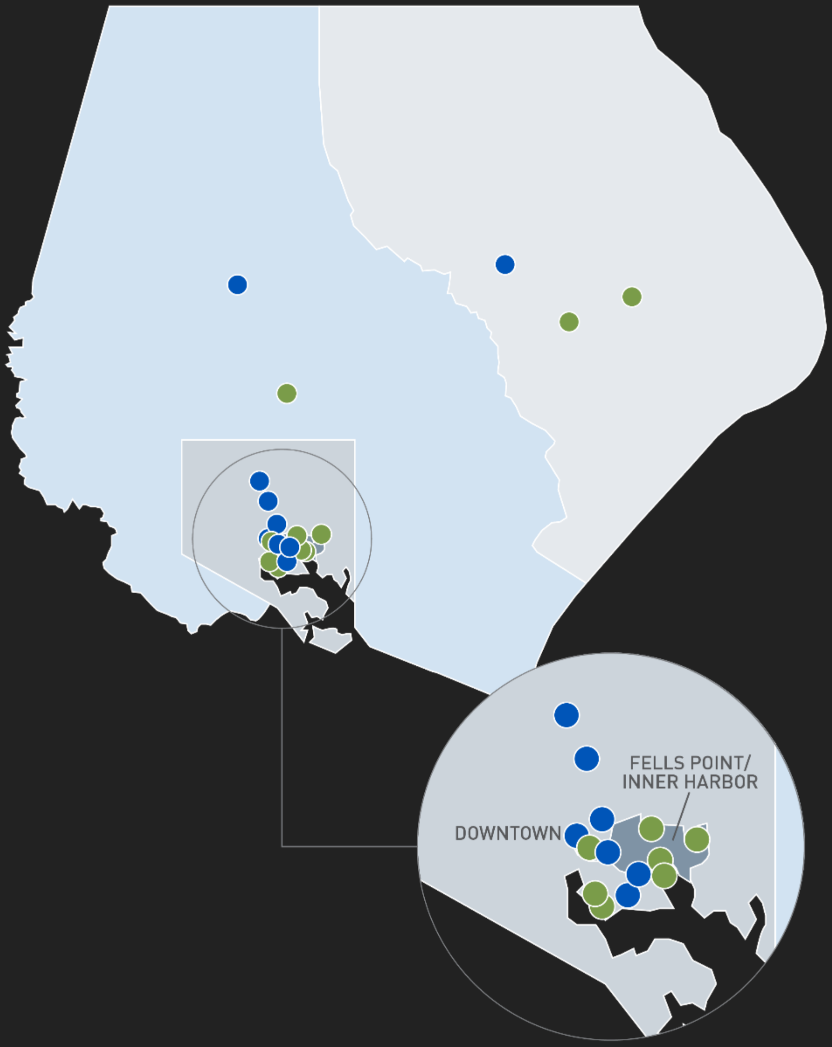
Not Yet Leasing

*Source: Delta Associates; December 2015.*

# PROJECTS CURRENTLY UNDER CONSTRUCTION

Baltimore City and Northern Suburbs






Projects Under Construction

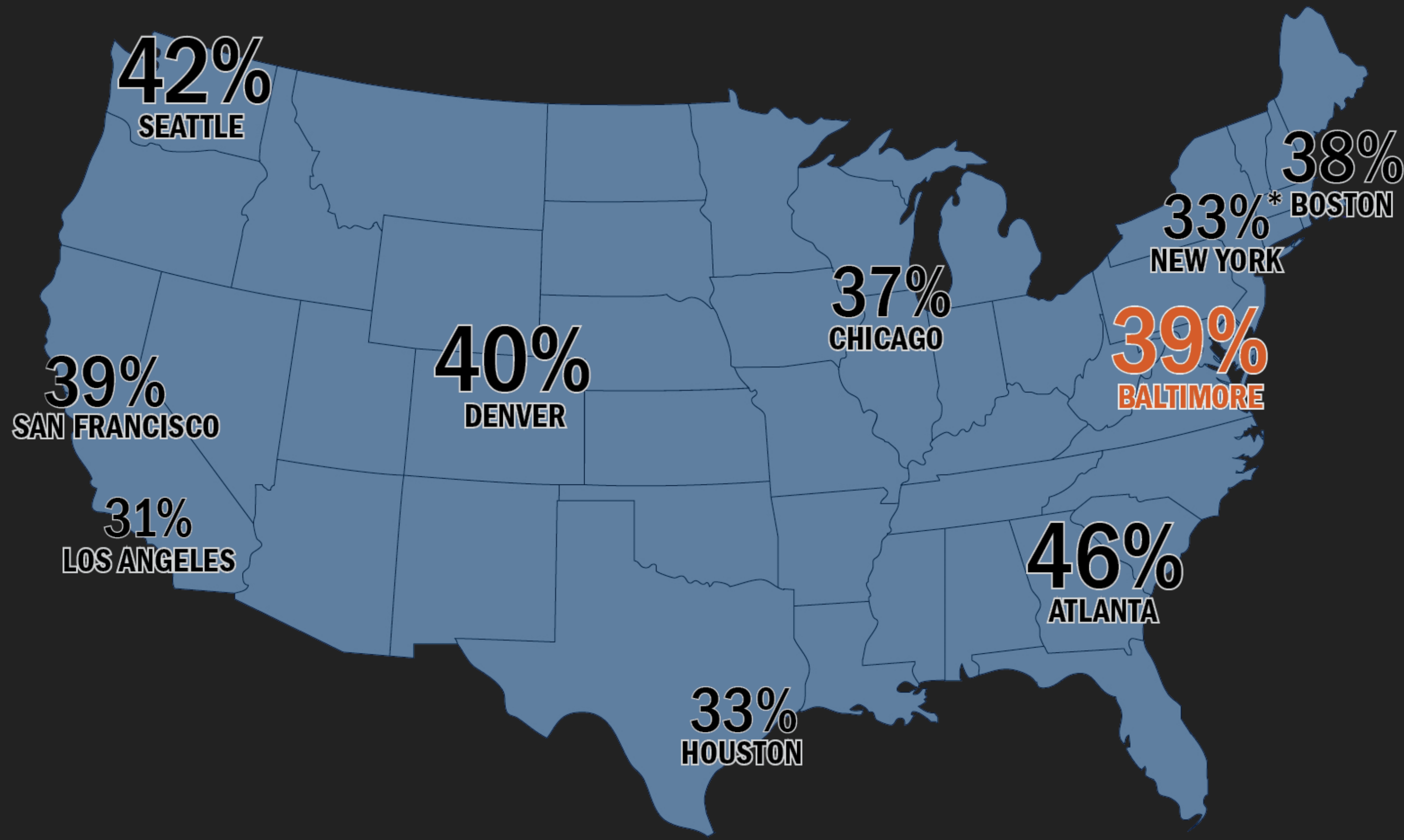
- In Lease-up
- Not Yet Leasing

*Source: Delta Associates; December 2015.*

# CHANGING DEMAND PATTERNS

Single Person Households for Major Cities





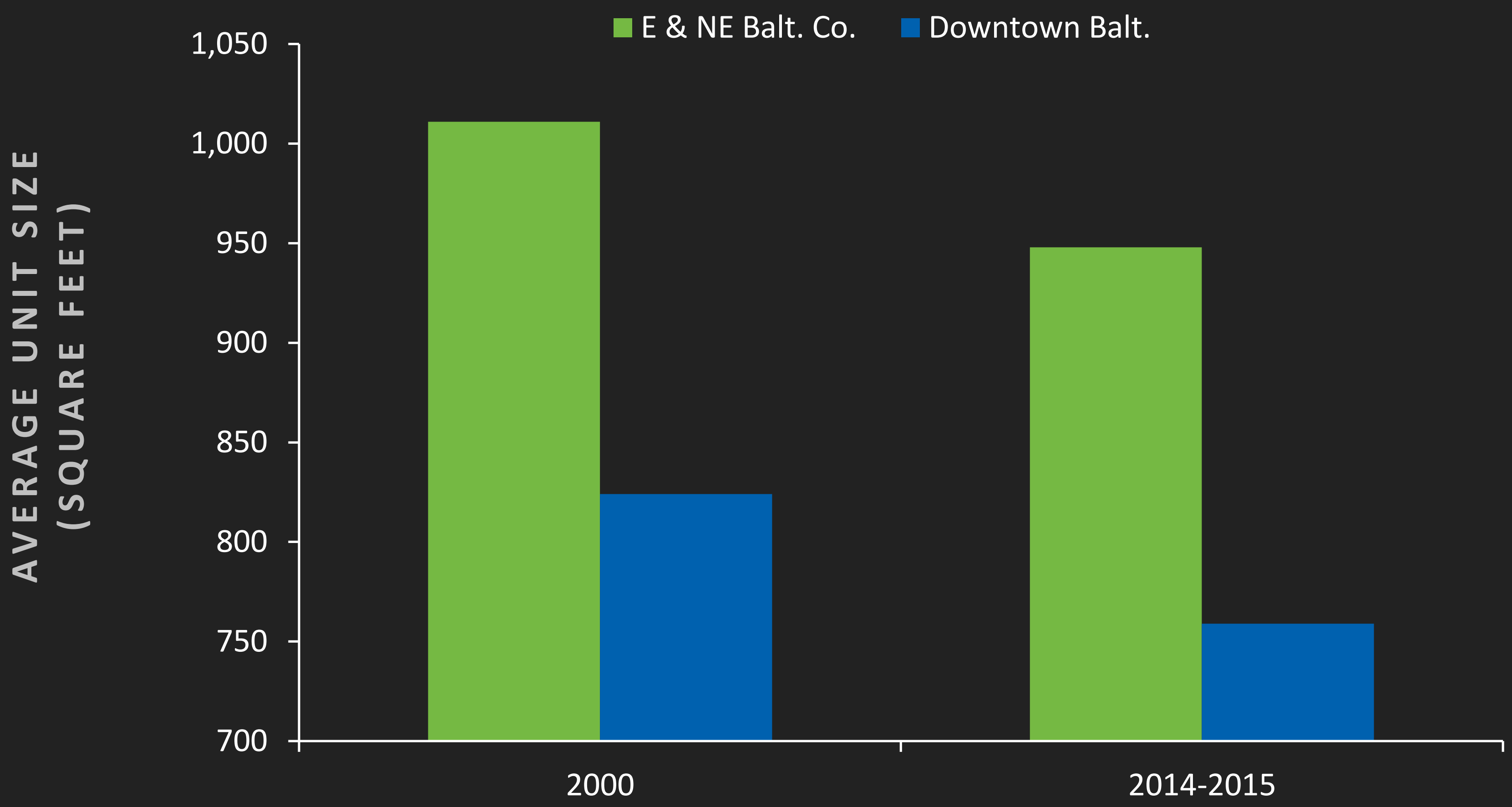

*Source: U.S. Census Bureau, Delta Associates; December 2015.*

**Manhattan: 47%*

# AVERAGE UNIT SIZE

Newly Delivered Class A Apartments – Selected Submarkets






*Source: Delta Associates; December 2015.*

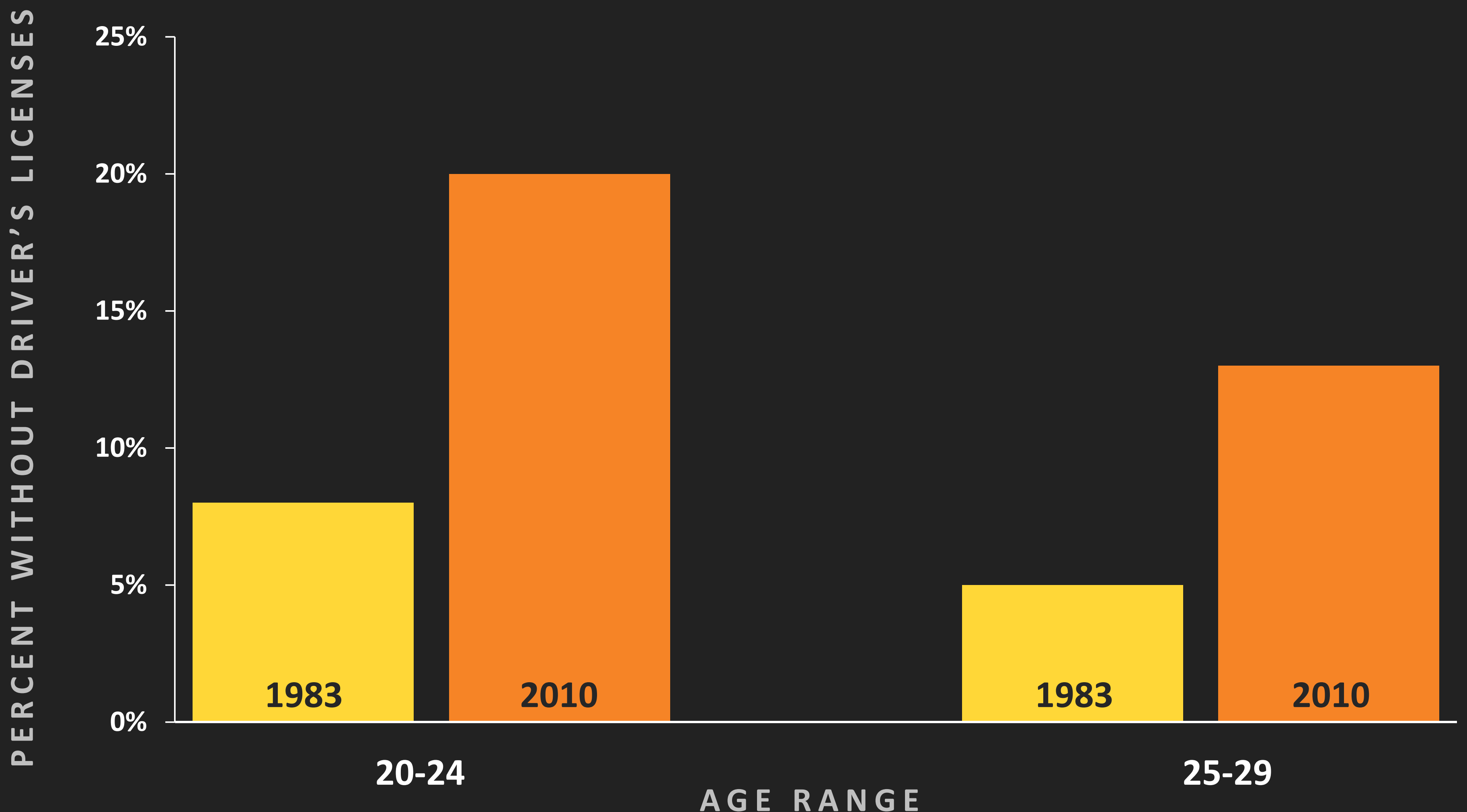
# APARTMENTS
Changing Nature of Space



# CHANGING DEMAND PATTERNS

Percent Without Driver's License by Age Group | United States






*Source: Michael Sivak and Brandon Schoettle, University of Michigan, Delta Associates; December 2015.*

# NATIONAL MULTIFAMILY MARKET

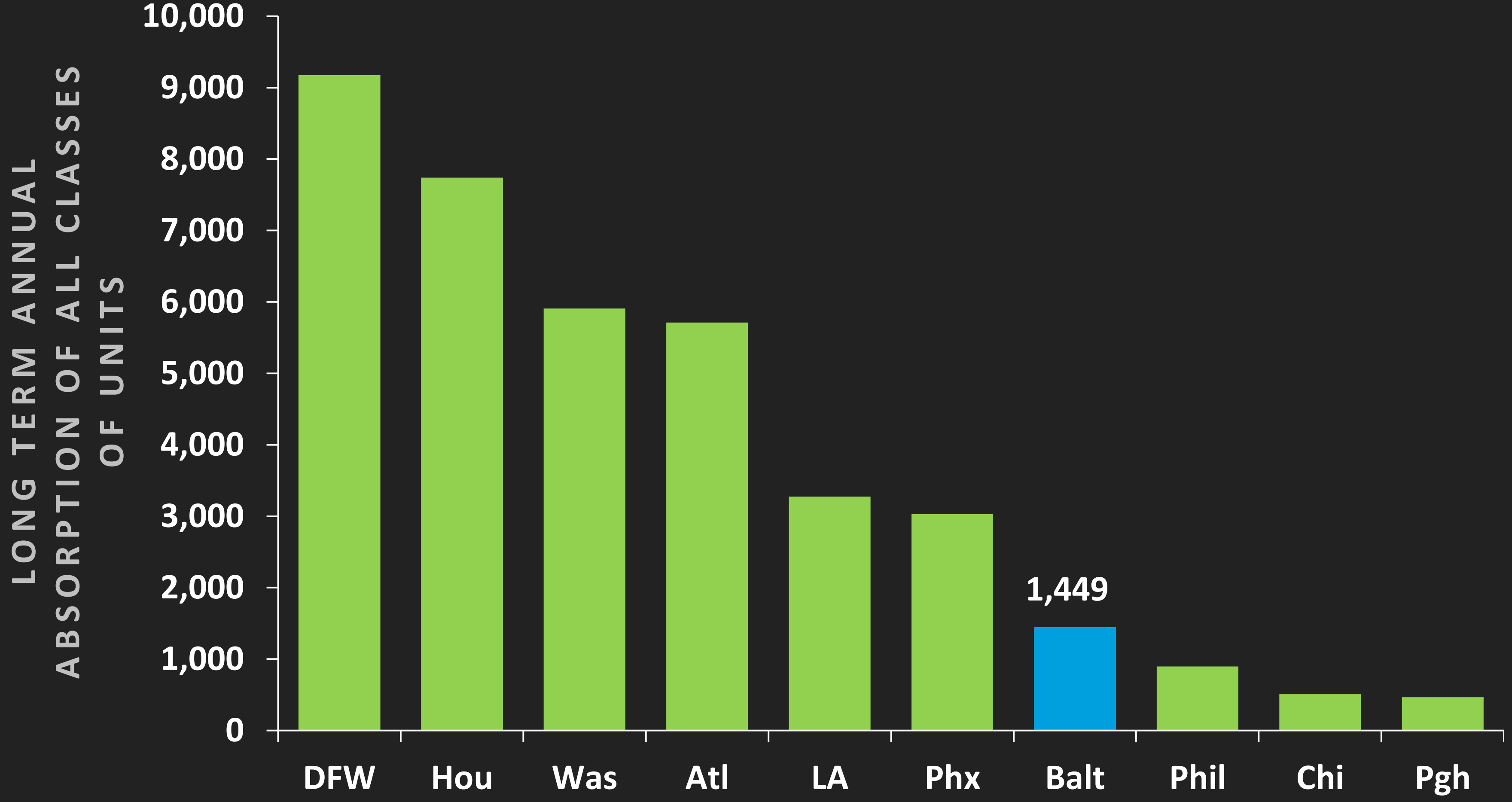

DELTA ASSOCIATES

OPENING REMARKS: BISNOW BALTIMORE MULTIFAMILY CONFERENCE

# ANNUAL APARTMENT ABSORPTION

National Market Leaders





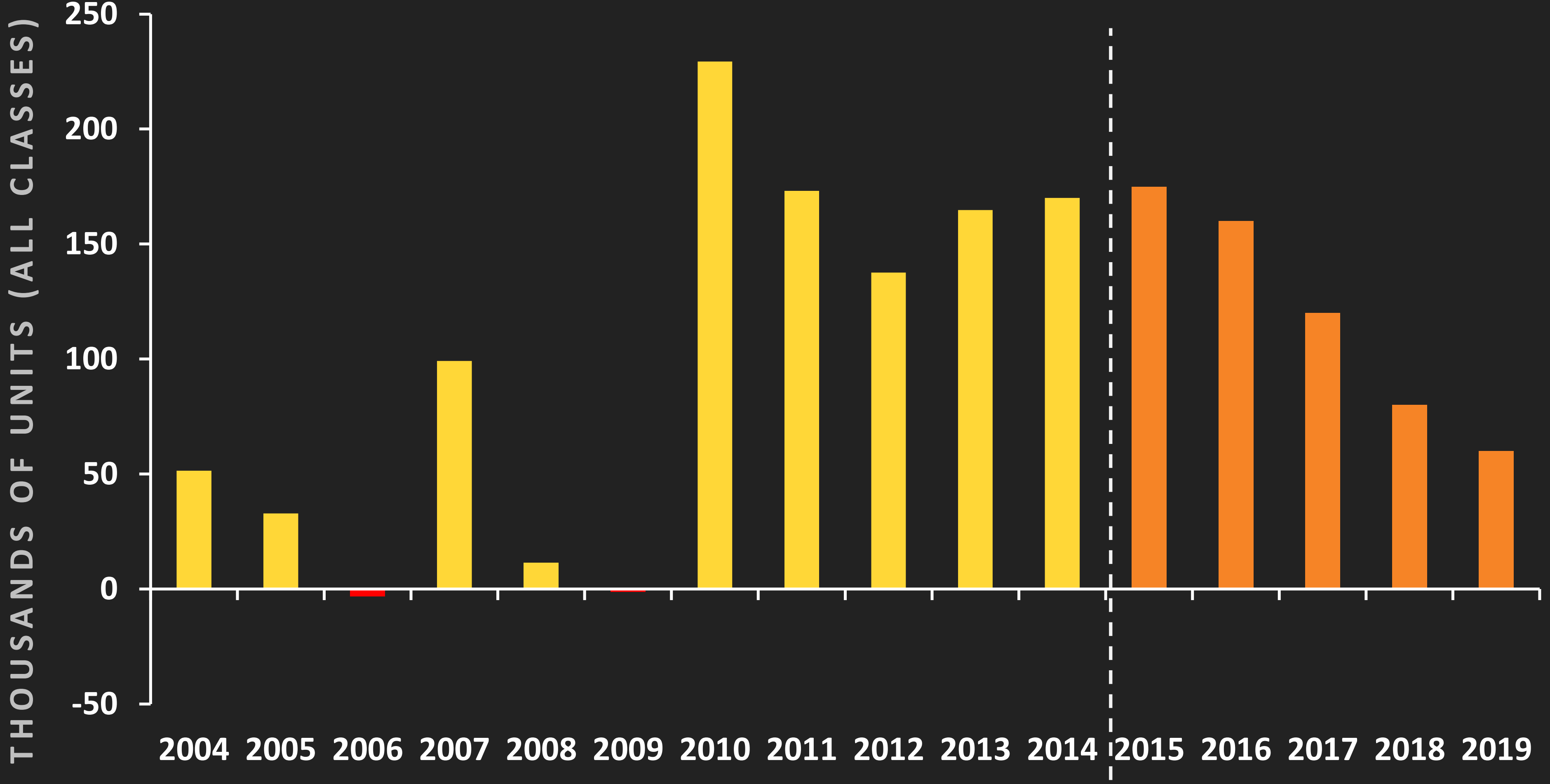

*Source: REIS, Delta Associates; December 2015.*

*Note: Excludes NY metro to conserve scale.*

# APARTMENT NET ABSORPTION

United States | 2004 - 2019



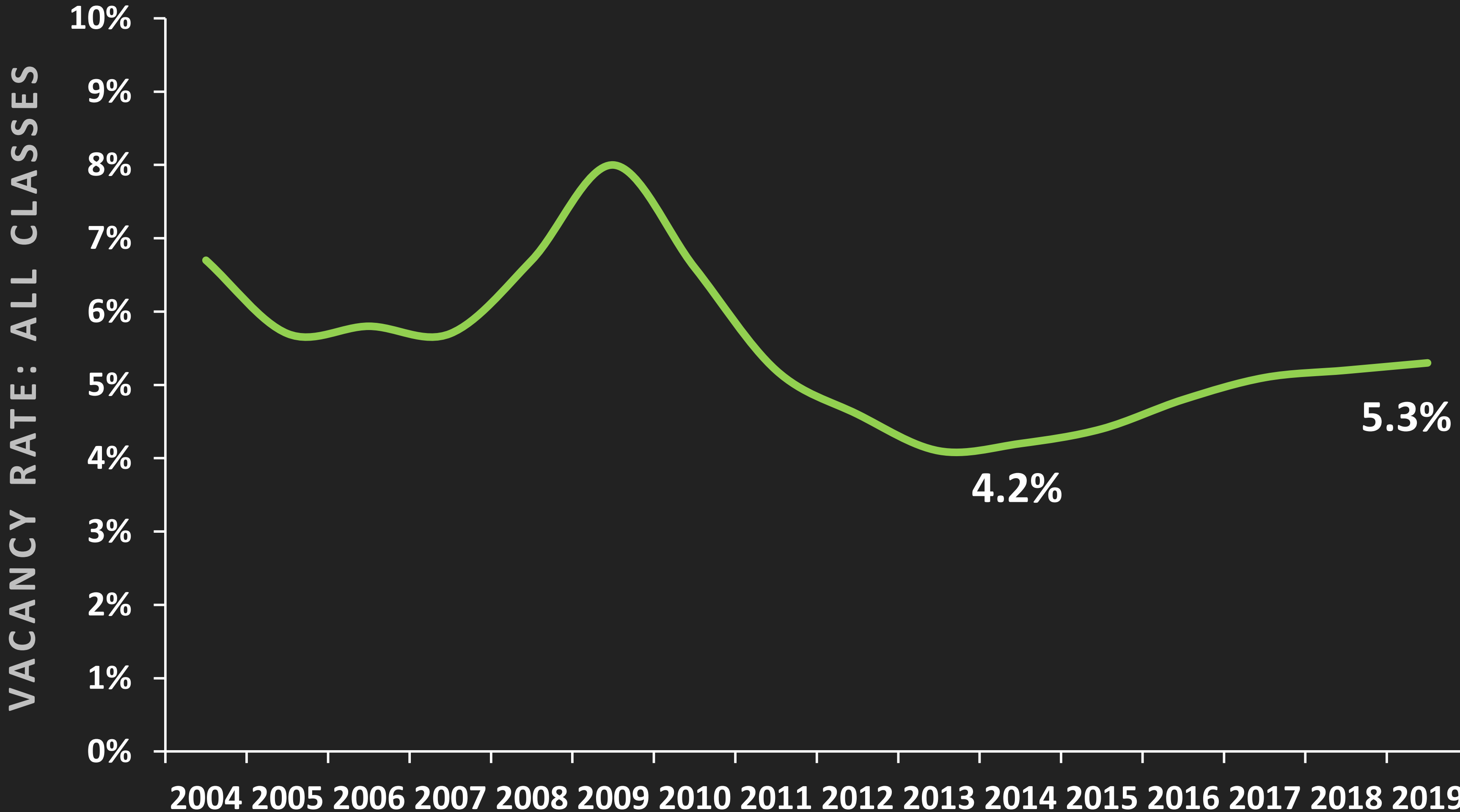



Source: REIS, Delta Associates; December 2015.

# APARTMENT VACANCY RATE

United States | 2004 - 2019

OPENING REMARKS:
**BISNOW BALTIMORE**
MULTIFAMILY CONFERENCE

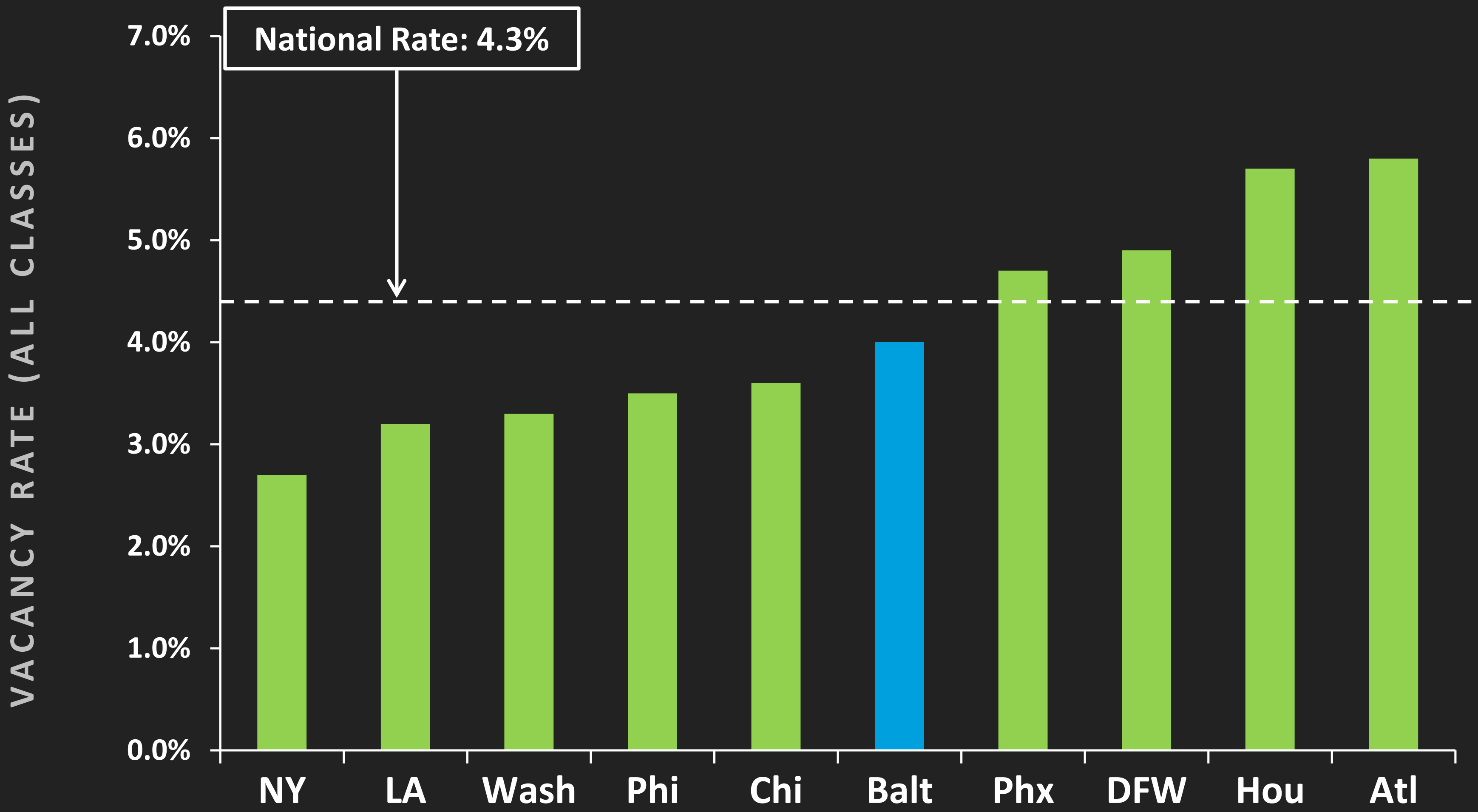



*Source: REIS, Delta Associates; December 2015.*

# APARTMENT VACANCY RATES

Major Apartment Markets | Third Quarter 2015



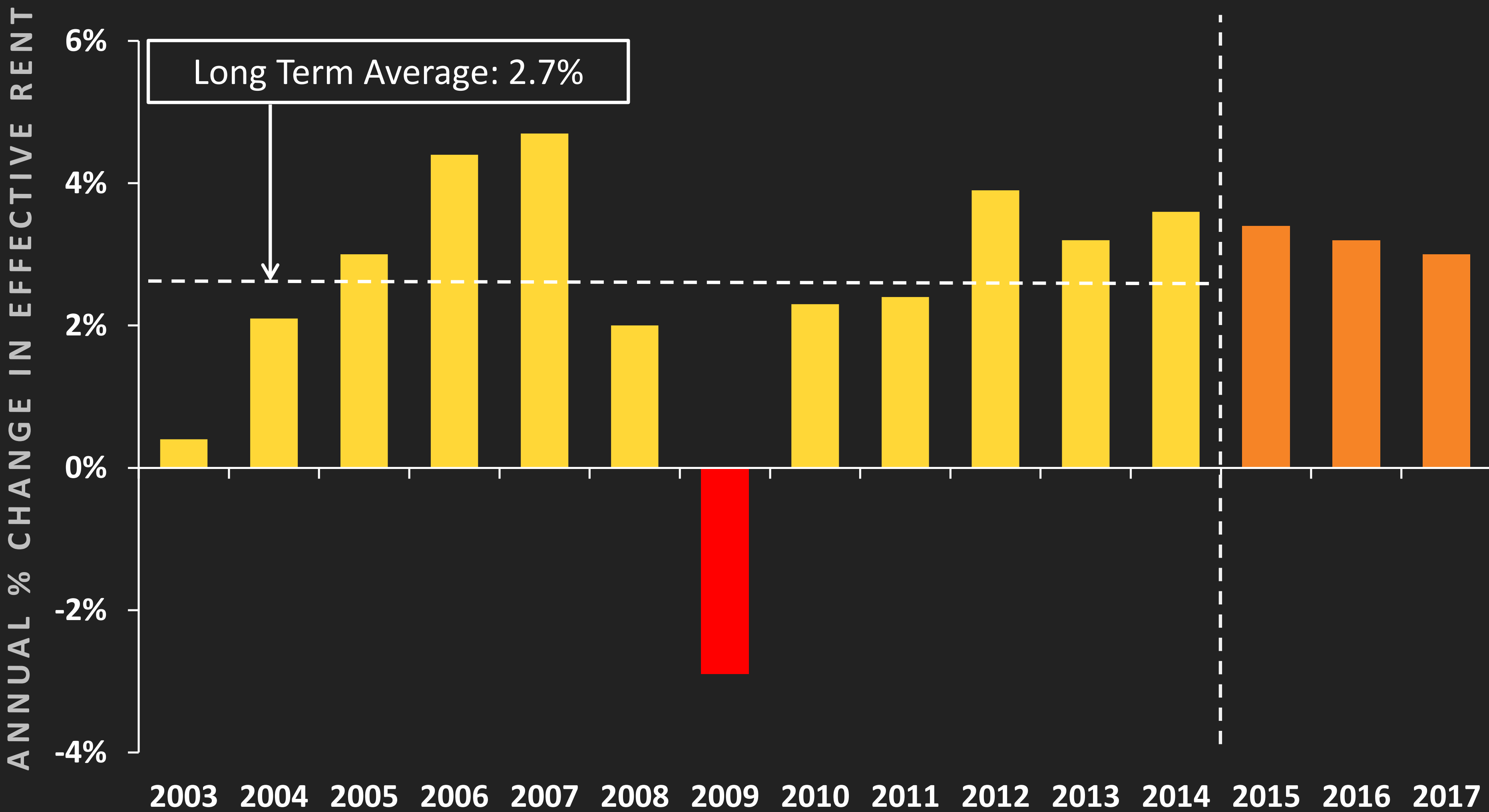



*Source: REIS, Delta Associates; December 2015.*

# CHANGE IN APARTMENT RENTS

United States | 2003 - 2017



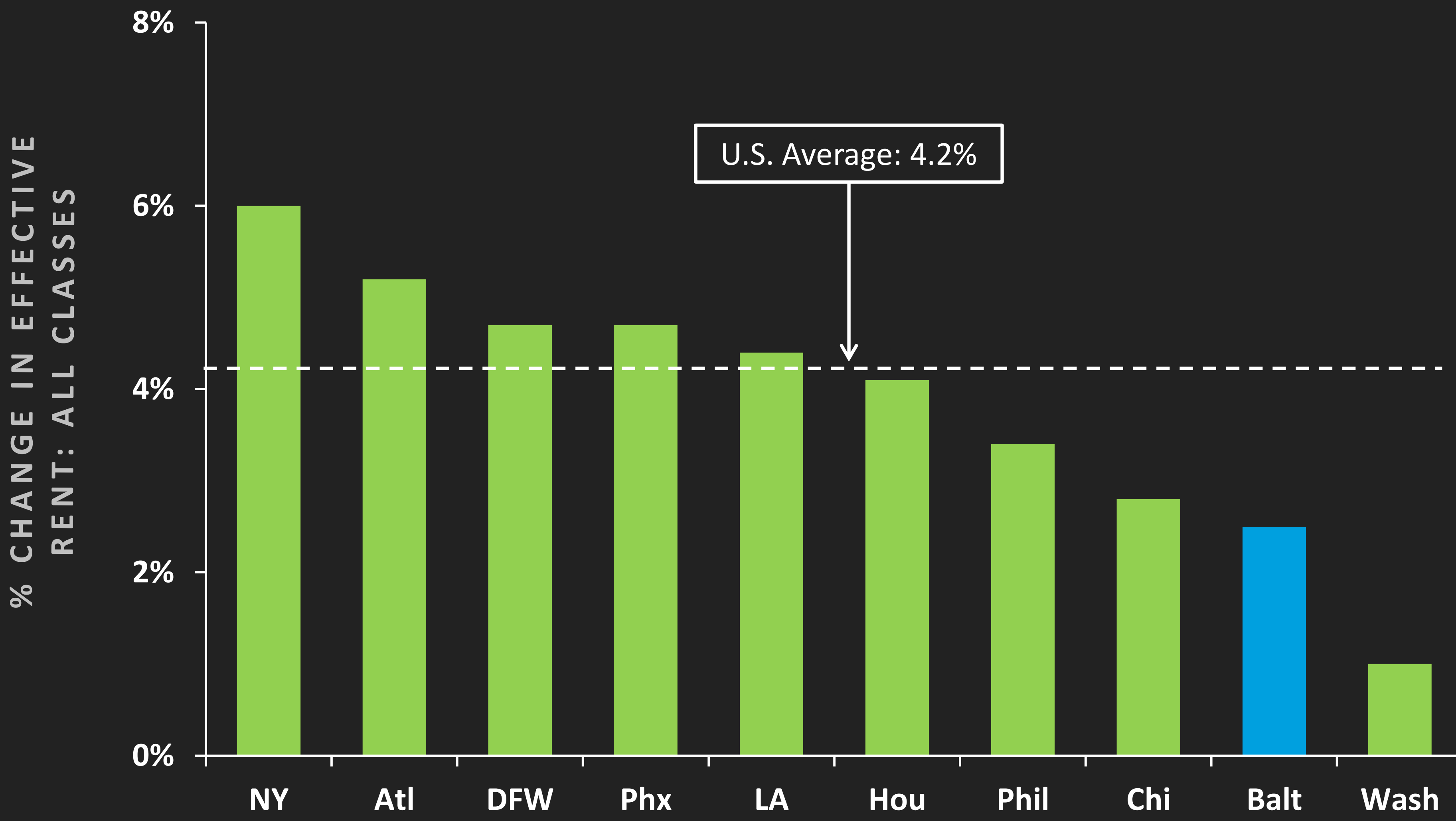



*Source: MPF, REIS, Delta Associates; December 2015.*

# ANNUAL APARTMENT RENT CHANGE

Selected Metro Areas | Third Quarter 2015

OPENING REMARKS:
BISNOW BALTIMORE
MULTIFAMILY CONFERENCE




*Source: REIS, Delta Associates; December 2015.*

# BALTIMORE APARTMENT MARKET METRICS

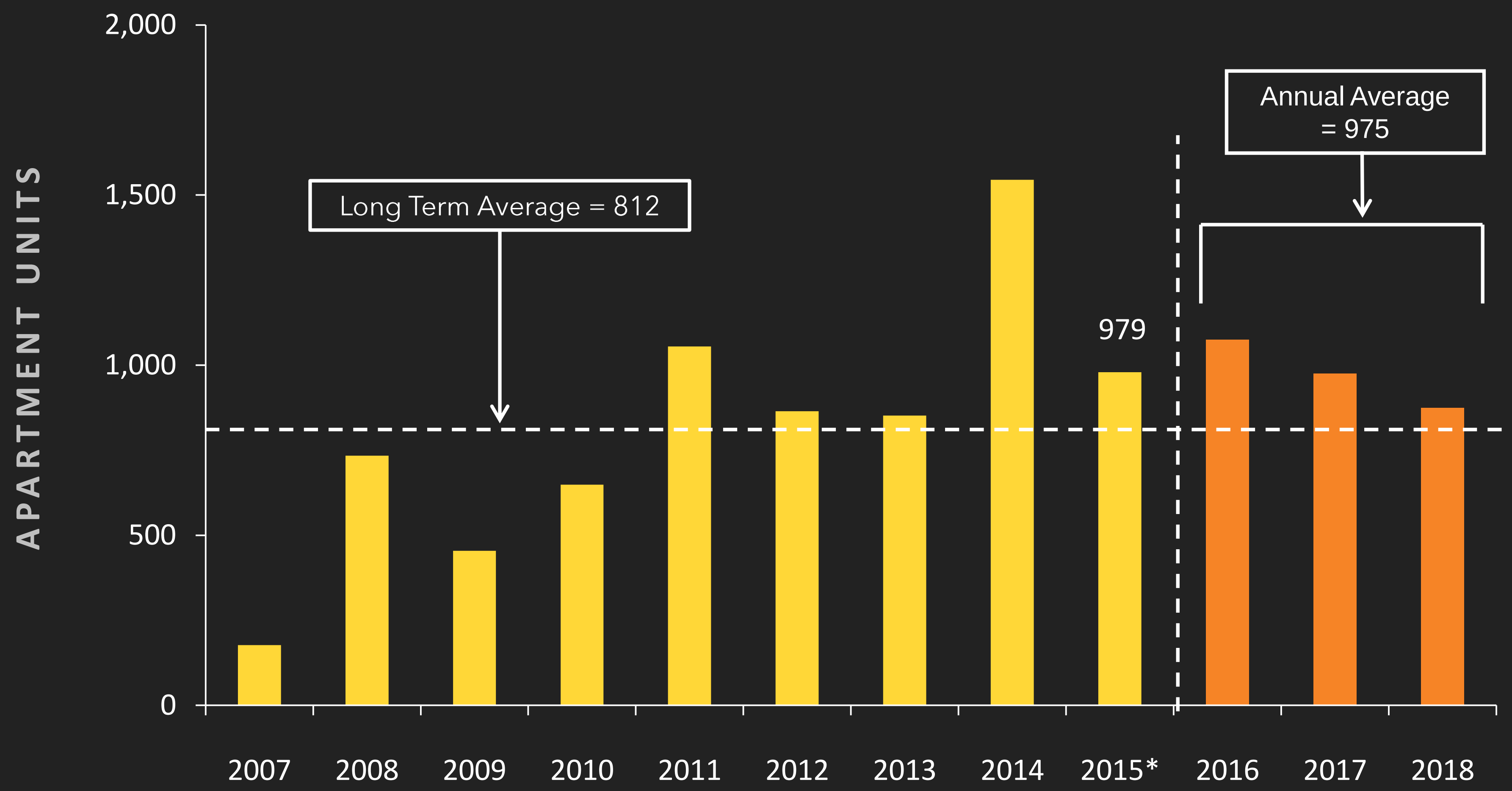

DELTA ASSOCIATES

OPENING REMARKS: BISNOW BALTIMORE MULTIFAMILY CONFERENCE

# CLASS A APARTMENT ABSORPTION

Baltimore Metro Area






*Source: Delta Associates; December 2015.*

**12 Months Ending September 2015*

# CLASS A APARTMENT ABSORPTION

Pace per Project | Baltimore Metro Area

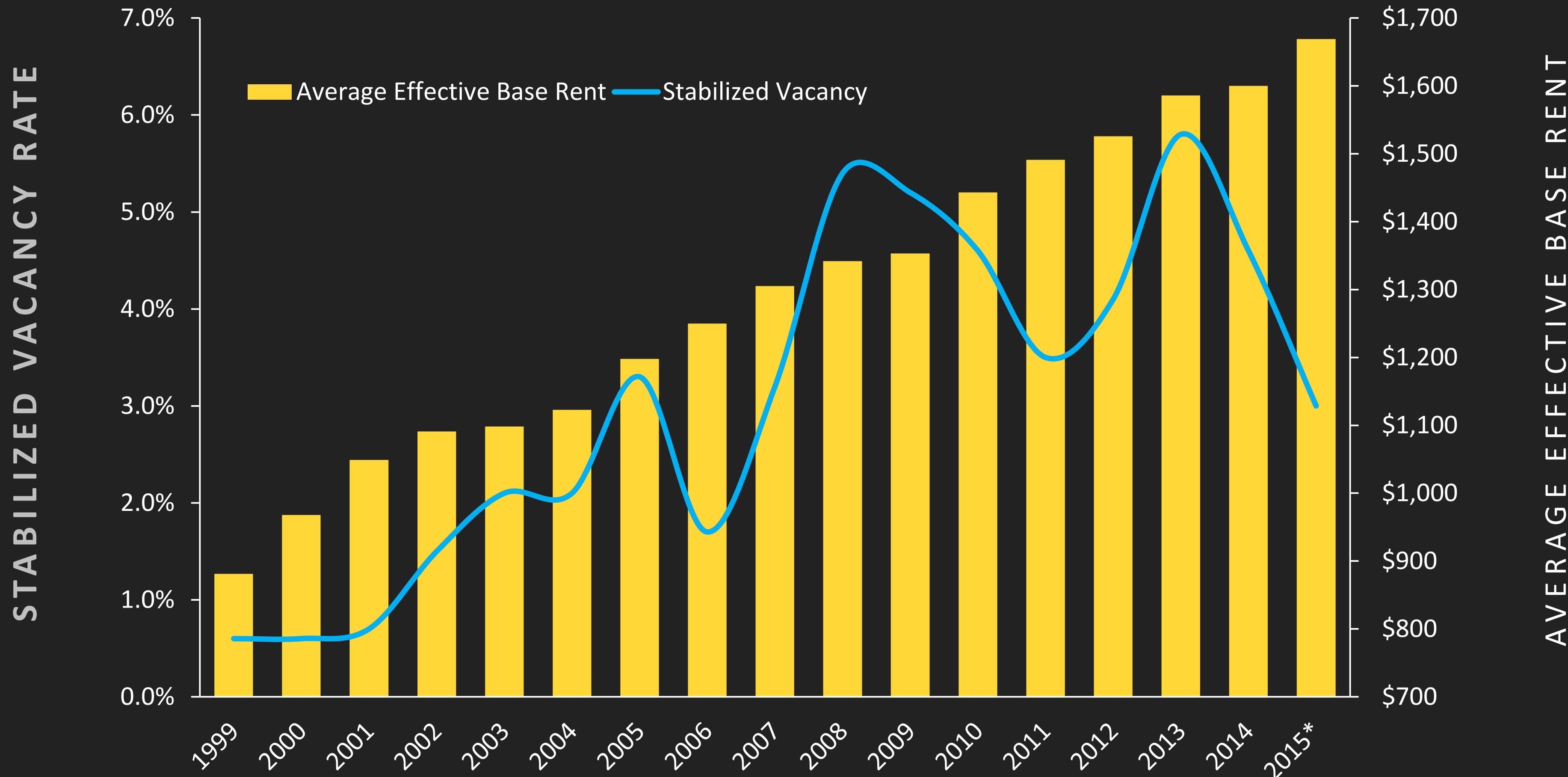
OPENING REMARKS:
**BISNOW BALTIMORE**
MULTIFAMILY CONFERENCE


*Source: Delta Associates; December 2015.*

# EFFECTIVE RENT AND VACANCY RATE

Class A Apartments | Baltimore Metro Area






4.3% / YEAR
LONG-TERM RENT GROWTH

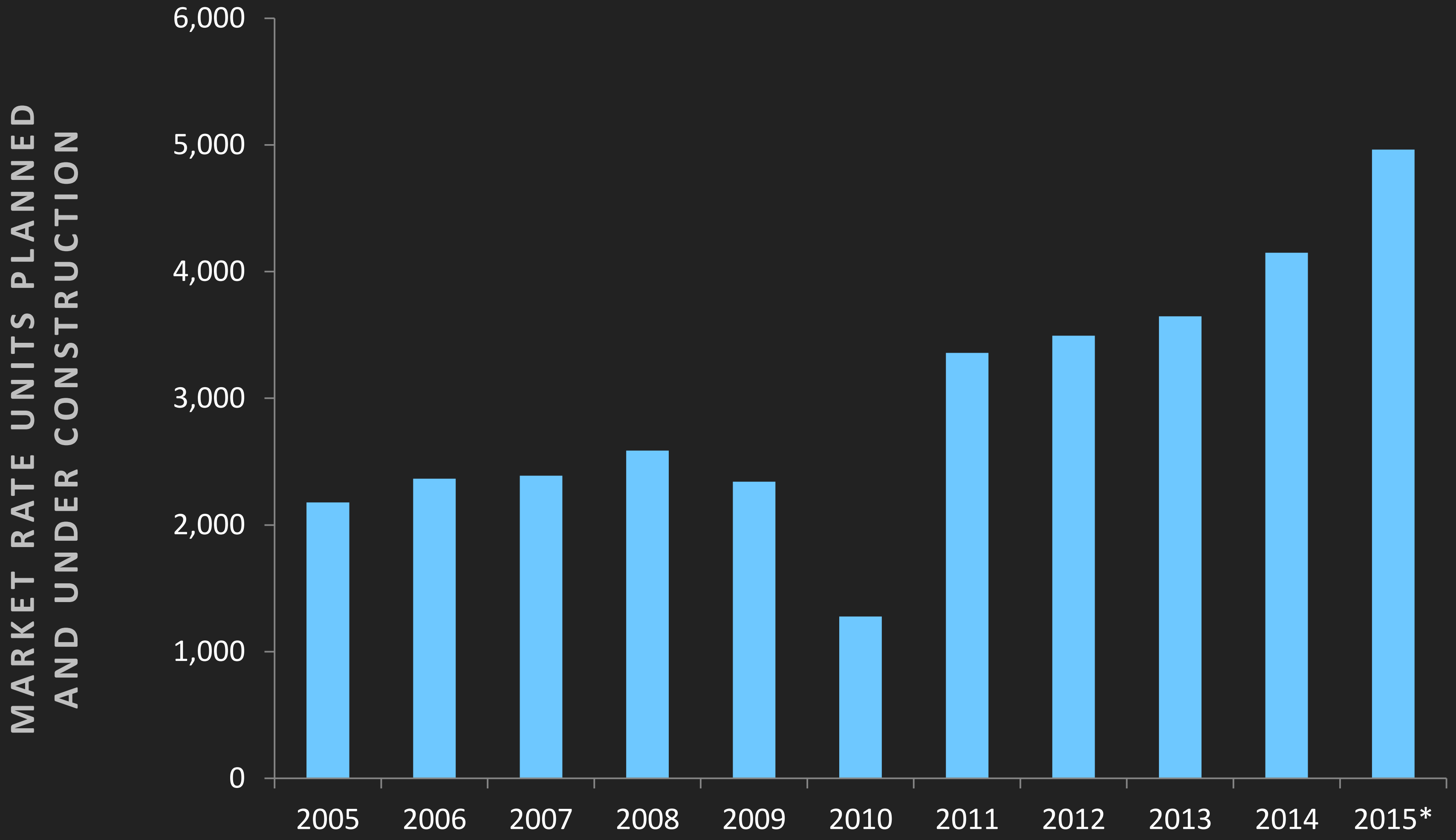
*Source: Delta Associates; December 2015.*

** As of Third Quarter.*

# APARTMENT DEVELOPMENT PIPELINE

Baltimore Metro Area

OPENING REMARKS:
**BISNOW BALTIMORE**
MULTIFAMILY CONFERENCE



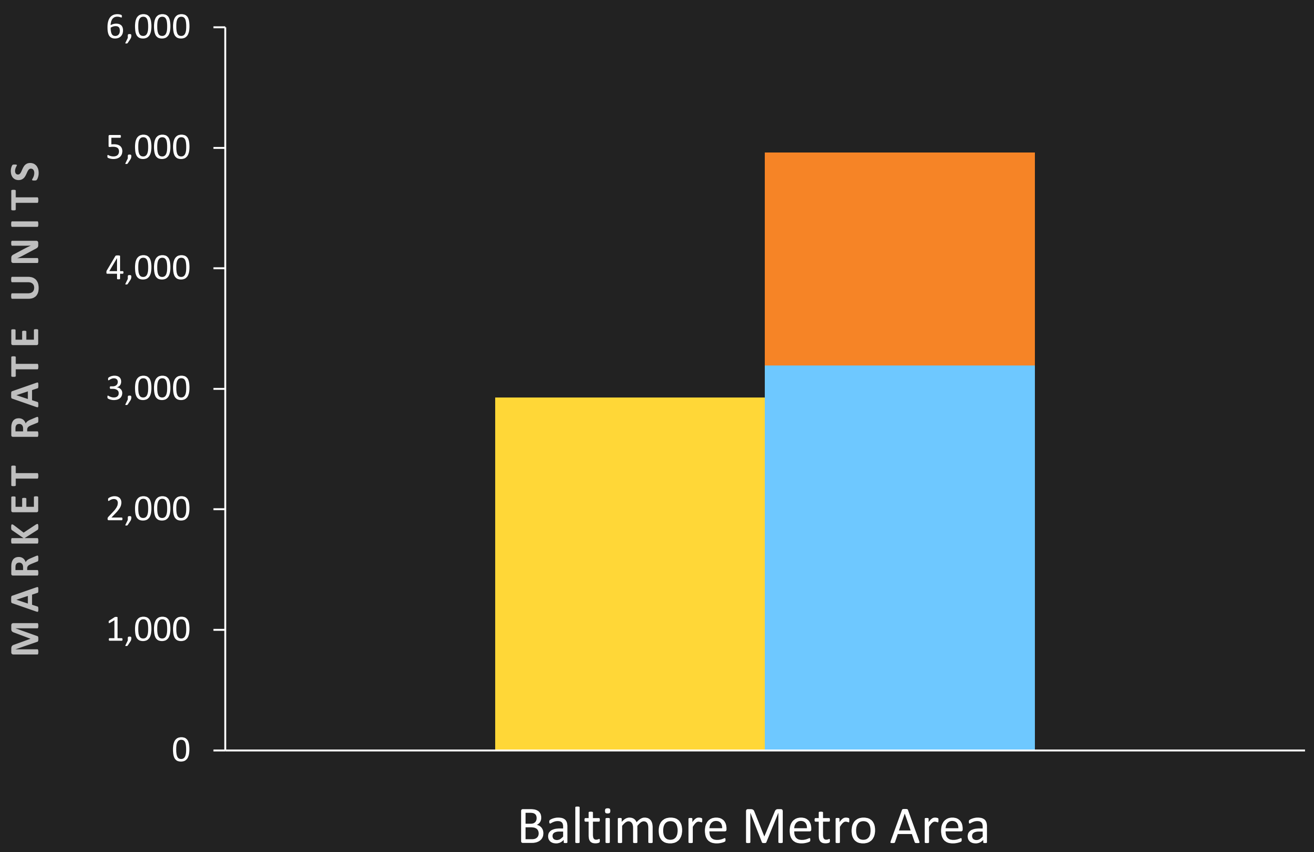

*Source: Delta Associates; December 2015.*

**As of Third Quarter 2015.*

# DEMAND AND SUPPLY PROJECTIONS

Baltimore Metro Area Class A Apartments | 36 Months Ending September 2018






## DEMAND

Net Absorption: 975/Year = 2,925

## SUPPLY

Planned and may deliver by 9/18: 1,768 units[1]

Under construction: 3,196 units[2]

Total = 4,964 units

1 Probable supply after projected attrition.
2 Includes unleased units at projects in lease-up.

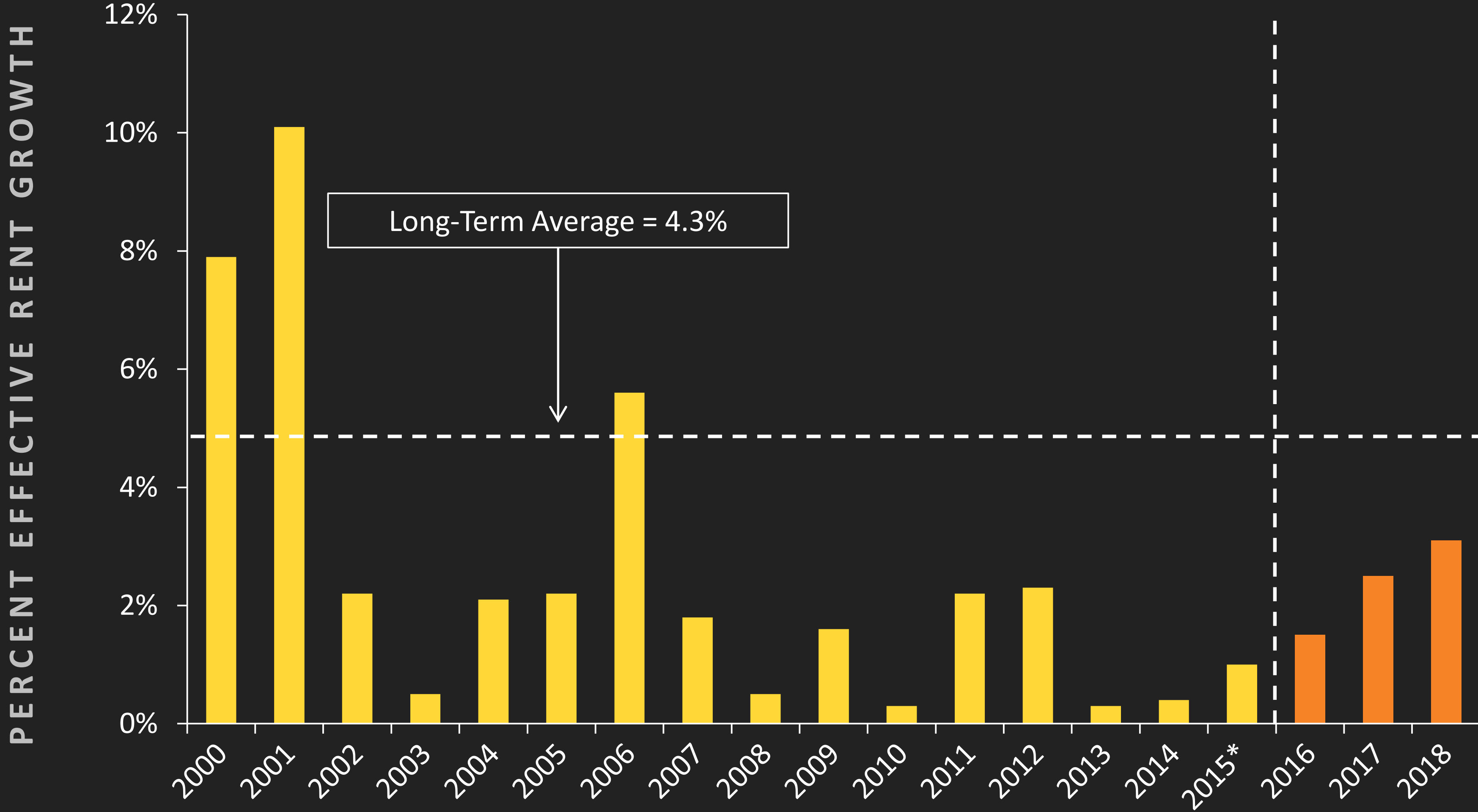
Projected Stabilized Vacancy % at Sept. 2018: 4.0% Metro-Wide

*Source: Delta Associates; December 2015.*

# ANNUAL CLASS A APARTMENT RENT GROWTH

Baltimore Metro Area

OPENING REMARKS:
**BISNOW BALTIMORE**
MULTIFAMILY CONFERENCE




*Source: Delta Associates; December 2015.*

** Annual rent growth at Third Quarter 2015 is 2.2%*

# BALTIMORE APARTMENT CAPITAL MARKETS

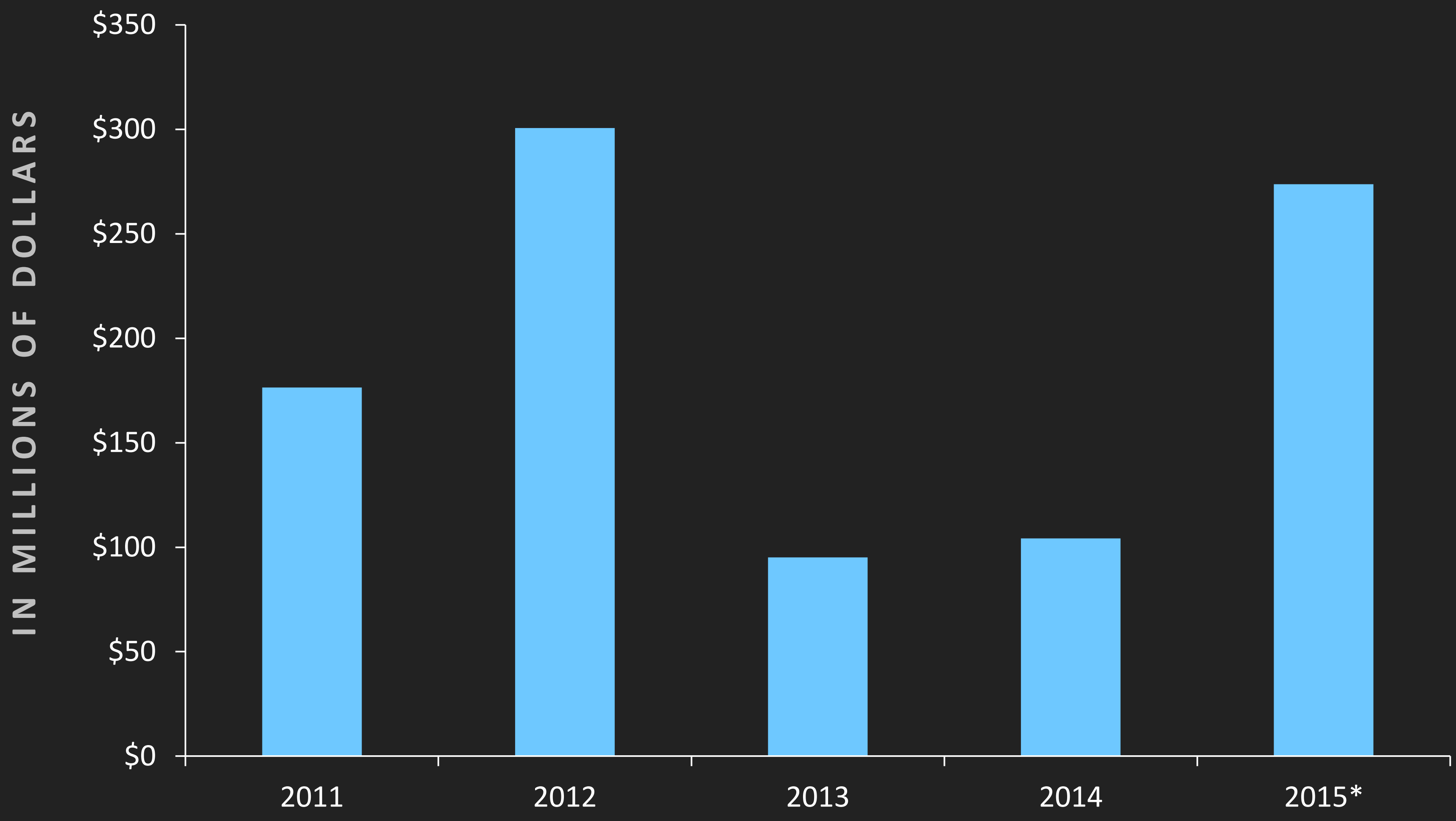

DELTA ASSOCIATES

OPENING REMARKS: BISNOW BALTIMORE MULTIFAMILY CONFERENCE

# APARTMENT INVESTMENT SALES

Baltimore Metro Area | Class A

OPENING REMARKS:
BISNOW BALTIMORE
MULTIFAMILY CONFERENCE



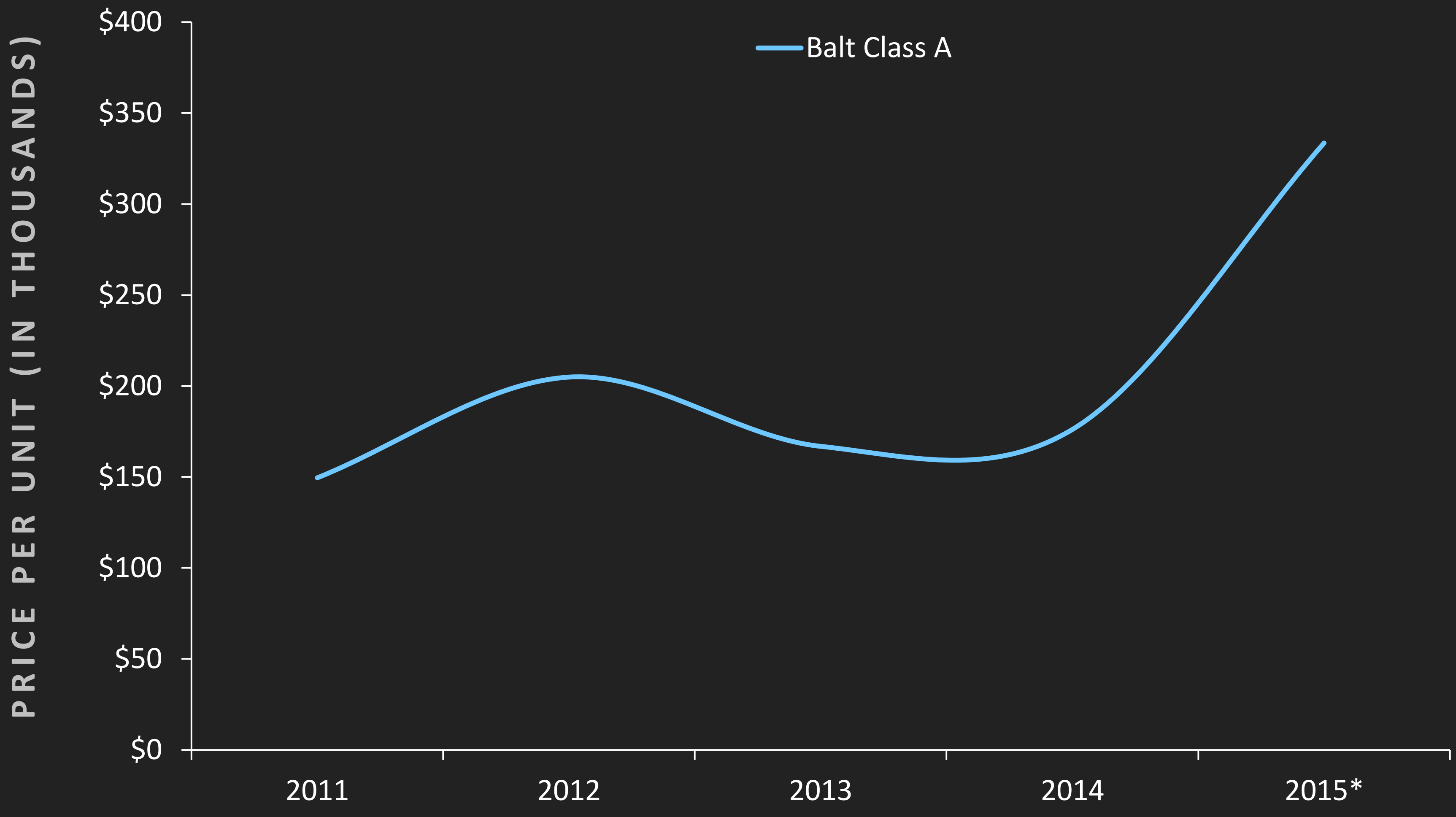

*Source: Delta Associates; December 2015.*

**Sales through September annualized.*

# AVERAGE SALES PRICE PER UNIT

Baltimore Metro Area






*Source: Delta Associates; December 2015.*

**Sales through September*

# BALTIMORE AREA APARTMENT MARKET OPPORTUNITIES


DELTA ASSOCIATES

OPENING REMARKS: BISNOW BALTIMORE MULTIFAMILY CONFERENCE

# OPPORTUNITIES DURING THIS CYCLE

Baltimore Area Apartment Market



- UPGRADE WELL-LOCATED CLASS B ASSETS
- REPURPOSE OR BUILD NEW ASSETS THAT APPEAL TO MILLENNIAL PREFERENCES
- ACCOMMODATE WORK-AT-HOME TENANTS
- BUILD NEW UNITS THAT APPEAL TO EMPTY-NESTERS/ BABY BOOMERS

OPENING REMARKS:

# BISNOW BALTIMORE

## MULTIFAMILY CONFERENCE


DELTA
ASSOCIATES

PRESENTED BY WILLIAM RICH | 12.9.2015